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SUBJECT: RWANDA MONTHLY ECONOMIC REVIEW

#### TECHNOLOGY NEWS

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11. IT Summit: Rwanda hosted the African Heads of State Connect Africa Summit October 29 and 30. Six African presidents and corporate executives attended. The summit's goal was to accelerate broadband and wireless connectivity in Africa. Dr. Hamadoun Tour, Secretary General of the International Telecommunication Union,

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declared that this conference would be a "yard stick for rolling out indispensable activities" to connect Africa (septel will detail the program and results of the summit).

12. More IT Expansion: The Rwanda Information Technology Agency (RITA) awarded the South African company Allied Technologies (Altech), through its Rwandan subsidiary Altech Stream Rwanda, a license to deliver broadband internet access services in Rwanda. Altech expects its network to be operational in Rwanda by early 12008. RITA also awarded Altech the right to install its own satellite earth-station for direct connection to the Web.

13. Libyan Firm Wins Rwandatel Bid: LapGreen Networks won a tender for USD 100 million for 80percent of Rwandatel, the national-owned fixed line, mobile phone, and internet provider. LapGreen, a Libyan company, edged out Vodacom Group of South Africa (whose bid was USD 80 million) as well as Celtel of Uganda and the Democratic Republic of Congo, V-Tel holdings of Jordan, Bit Map Limited of Singapore, and Rwanda's R-com (whose bids ranged between USD 50 and 60 million). The Social Security Fund of Rwanda owns the remaining 20 percent of Rwandatel's shares. LapGreen committed to invest USD 317 million over the next 15 years, including USD 87 million its first year of operation. The company intends to initiate a borderless service between Rwanda and Uganda without roaming charges; it acquired Uganda Telecom last year.

14. One Laptop Per Child: During a meeting in New York on the margins of the United Nations General Assembly Meeting, Nicholas Negroponte, chairman and founder of the One Laptop Per Child (OLPC) Group and President Kagame announced the GOR will buy laptops from the new sales promotion scheme 'Get 1 and Get 1.' In fact, Kagame committed Rwanda to buy two laptops instead of the required one to receive one for free from OLPC.

NEW LOANS

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¶5. New Power Loan: The World Bank provided the Government of Rwanda (GOR) with a USD 25.4 million loan for increased generation of electricity. The projects to be funded include installation of three heavy fuel generators in the outskirts of Kigali expected to produce 20 megawatts (MW) of electricity and light up five (out of 30 total) districts by the end of 2008.

#### NEW INVESTMENT

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¶6. Brussels Air Adds Flight: The Rwanda Civil Aviation Authority granted Brussels Airline (SN) an additional flight between Kigali and Brussels, increasing the airline's weekly flights to three (Tuesday, Thursday and Saturday). SN remains the only carrier offering direct flights to Rwanda, with no immediate prospects for other carriers to begin service to Kigali. The new flight, which will go into service in December, also reflects the growing demand for direct access to international air connections to Europe.

¶7. Dubai World Comes to Rwanda: Dubai World, a major holding company based in the United Arab Emirates (UAE), signed on Memorandum of Understanding with State Minister for Commerce Vincent Karega on October 15. The MOU commits Dubai World to invest USD 230 million in luxury hotels and residential estates in Kigali, near Ruhengeri, and Nyungwe, making it one of the largest foreign investors in the country. Construction is scheduled to begin mid-2008 and be completed by 2010.

¶8. Bio-gas Powered Beer Production: Biomas Renewable Energy Rwanda (BRER), a privately held Rwandan company announced plans to develop a USD 3 million bio-gas plant to power Rwanda's largest brewery, BRALIRWA. Owners Michael Munyaneza and Andrew Kanyanya licensed technology from German firm BMK in Kampala. BRALIRWA, which produces alcohol and carbonated beverages, signed an agreement with BRER for the construction of a one MW bio-gas plant at its brewery site in the western province. According to the agreement, BRALIRWA will consume both electricity and gas generated from the plant. Rwanda's utility company, Electrogaz, also expressed interest in purchasing energy from BRER. The plant will also provide organic manure to be used as fertilizers at nearby farms.

#### MACROECONOMIC INDICATORS

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¶9. Drop in Poverty Rate: Since 1994, Rwanda's GDP has grown at a steady 6 percent and its household poverty rate has dropped from 70 percent to 57 percent. Last week, the Ibrahim Index, a new scale that measures African governments on security, transparency, human rights and economic opportunity named Rwanda the most improved sub-Saharan country over the past five years. The Ibrahim Index is a project of Mo Ibrahim, a Sudanese business mogul. The survey was carried out by Harvard University academics using data from sources such as the United Nations Development Program and Transparency International.

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